



Campus update

G. Wayne Clough
President

Georgia Tech
Alumni Association
December 10, 2004



Jeremy Farris, Rhodes Scholar

“The purpose of an education isn’t to get a job. The purpose of an education is to change you – to make you sufficiently human.”

Ambika Bumb, Marshal Scholar

“I want to help come up with a new technology or treatment for a disease and follow it through to make sure it reaches the people I’m developing it for.”



Programming team is #1



Student team from
Tech's chapter of
the Association for
Computing
Machinery

took first place in ACM's International Collegiate
Programming Contest. Next step: Compete in the
World Finals in Shanghai in April 2005.

Innovative new initiatives

- Tennenbaum Institute
- Global Executive MBA
- Interdisciplinary B.S. in computational media (Computing + LCC)



Urban Land Institute Award

Technology Square receives
2004 Award for Excellence,
the land use industry's most
prestigious national award.



Teams prove their mettle

Volleyball team is ACC season champion;
now playing in NCAA tournament.



ACC Player of the Year
Lynnette Moster

Basketball
team off to a
strong start.



Anthony McHenry



Football team faces
Syracuse in Dec 21
Champs Sports Bowl –
8th consecutive bowl.

P.J. Daniels

Raising the policy profile



- National Science Board
- University Vice-Chair,
Council on
Competitiveness
- National Innovation
Initiative



Planning the next campaign

G. Wayne Clough

Georgia Tech Foundation
December 2, 2004

Competitors are on the move

- **Berkeley:** building \$162 million Stanley Biosciences and Bioengineering Facility; 145,000 sq ft interdisciplinary technology building.
- **Purdue:** building \$100 million Discovery Park that includes \$51 million Birck Nanotechnology Center.
- **UCLA:** \$200 million unrestricted gift for medical school.
- **MIT:** \$50 million gift for brain research.
- **Michigan:** \$44 million gift for diabetes research.
- **Stanford:** \$20 million to develop physics-based simulations of biological structures.

Billion-dollar campaigns now under way

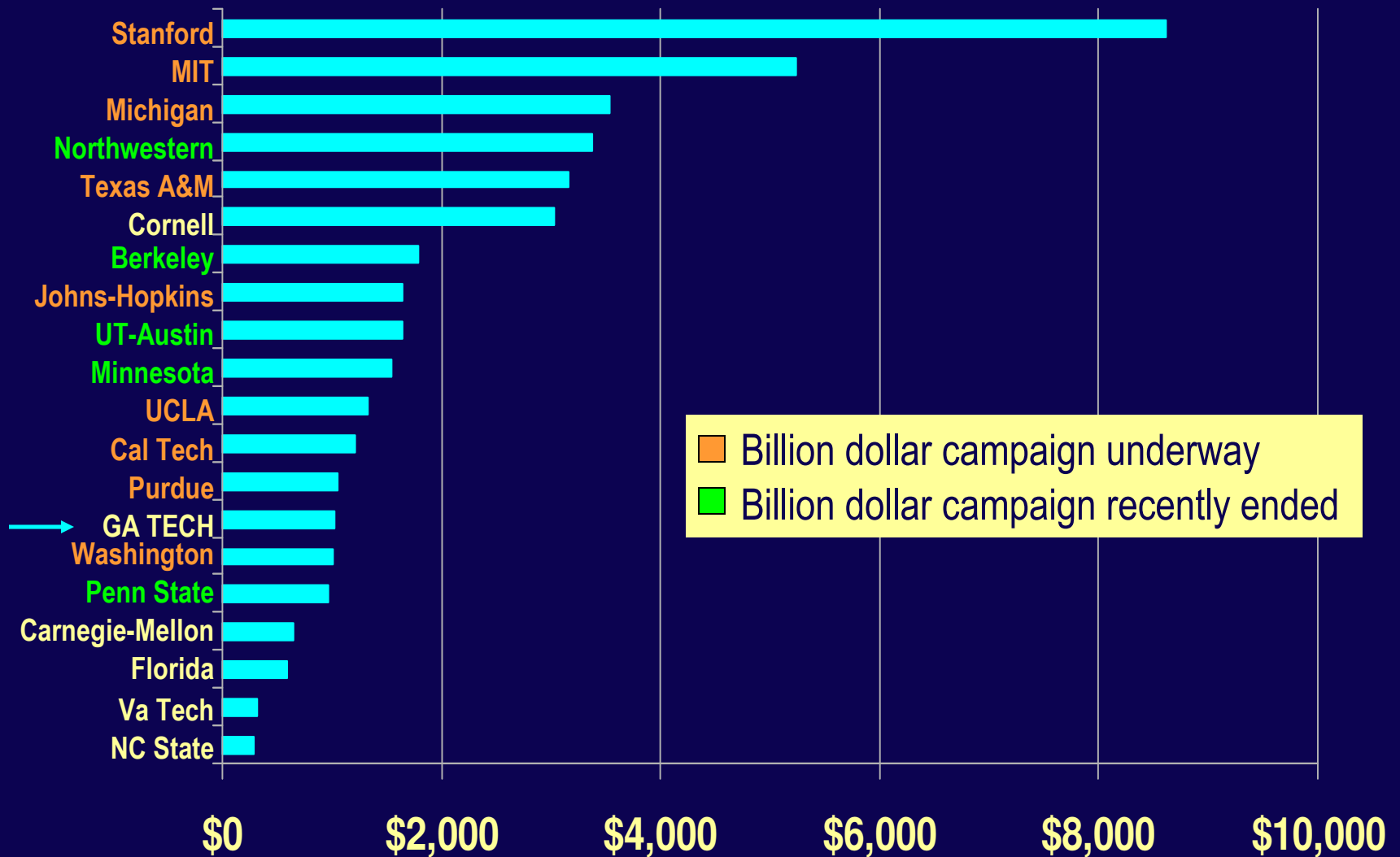
Univ of Virginia	\$3.0 billion
Univ Michigan	\$2.5 billion
Illinois	\$2.5 billion
NYU	\$2.5 billion
UCLA	\$2.4 billion
MIT	\$2.0 billion
Johns Hopkins	\$2.0 billion
Washington	\$2.0 billion
Univ Chicago	\$2.0 billion
Univ N Carolina	\$1.8 billion
Purdue	\$1.5 billion
Wisconsin	\$1.5 billion

Cal Tech	\$1.5 billion
UC San Fran	\$1.4 billion
Vanderbilt	\$1.25 billion
Michigan State	\$1.2 billion
RPI	\$1.0 billion
Stanford	\$1.0 billion
Texas A&M	\$1.0 billion
Univ Arizona	\$1.0 billion
UC San Diego	\$1.0 billion
Univ Iowa	\$1.0 billion
Univ Miami	\$1.0 billion
Pittsburgh	\$1.0 billion

■ In Georgia Tech's peer set

Peer endowments

(in millions)



Source: Council for Aid to Education

States are cutting back

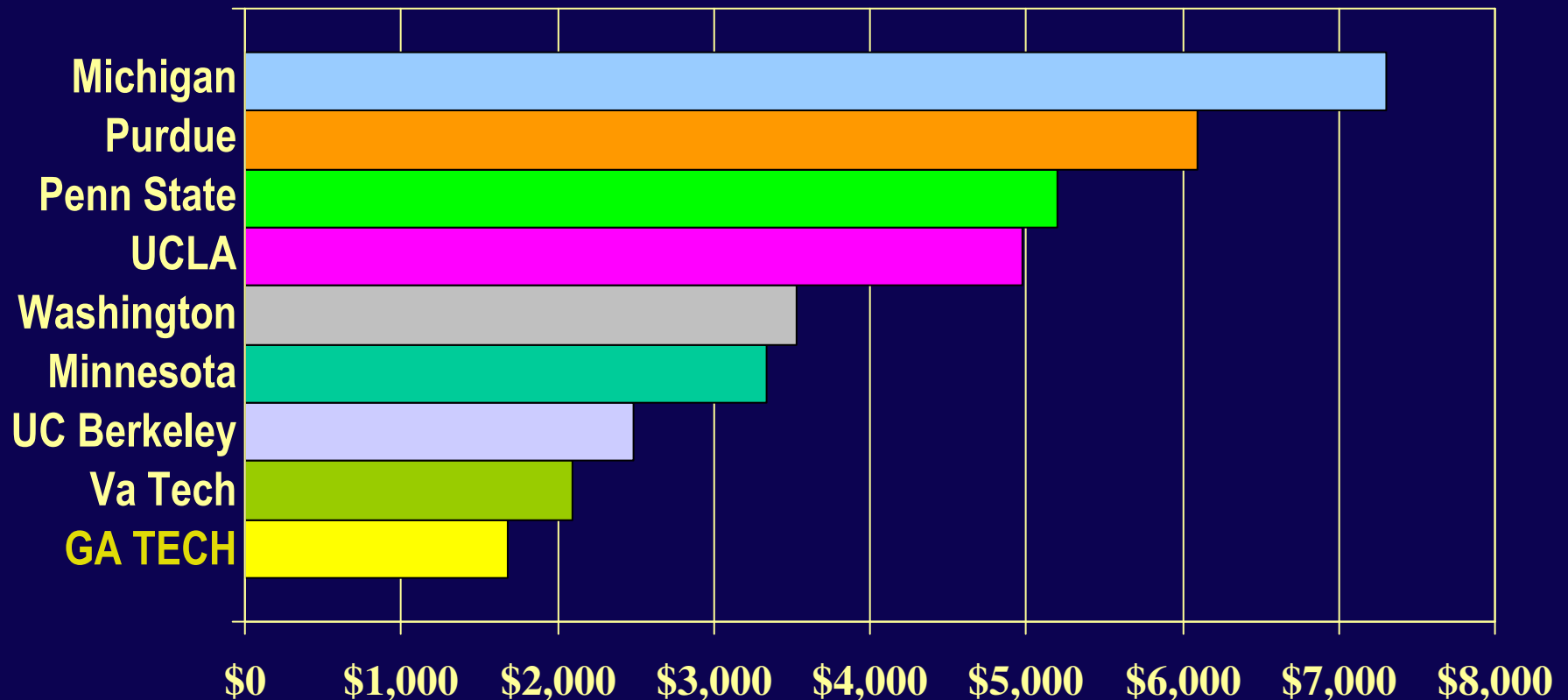
- 23 states cut state funding for higher education for 2003-04.
- 28 states have reduced funding for higher education over the course of the past two years.
- 4-year public colleges increased tuition by an average of 10 percent for the 2004-05 year – the third consecutive year of double-digit increases.

New initiatives respond

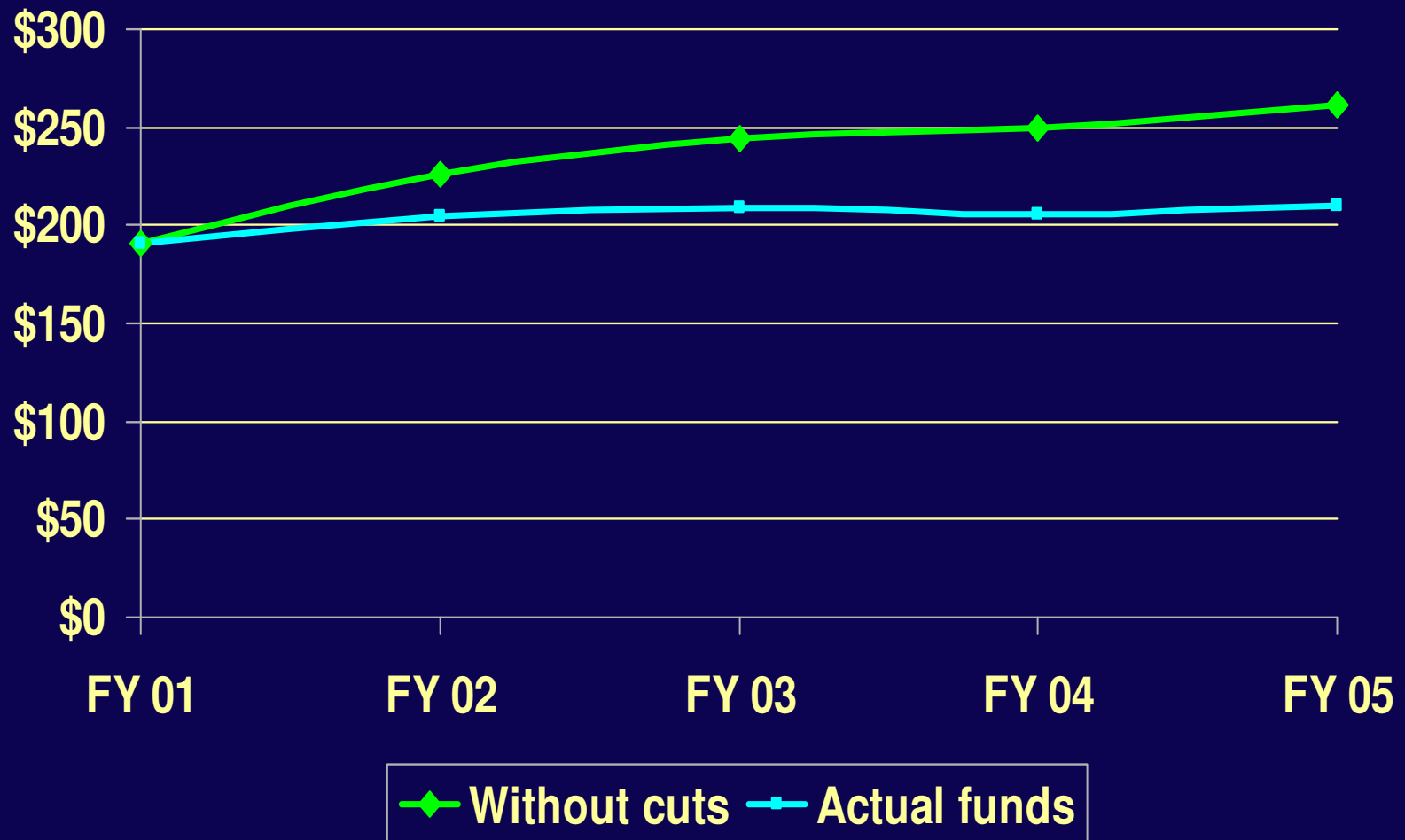
- North Carolina: \$3.1 billion bond referendum for facilities at state colleges and universities.
- Arizona: \$450 million initiative for research infrastructure at state universities.
- 10 states significantly increased need-based student aid as tuition increased to help offset budget cuts.
- Individual university initiatives to meet low-income students' financial needs: Harvard, UNC-Chapel Hill
- Colorado, Virginia, Ohio exploring new models for support of higher education.

In-state tuition per semester at public peer universities

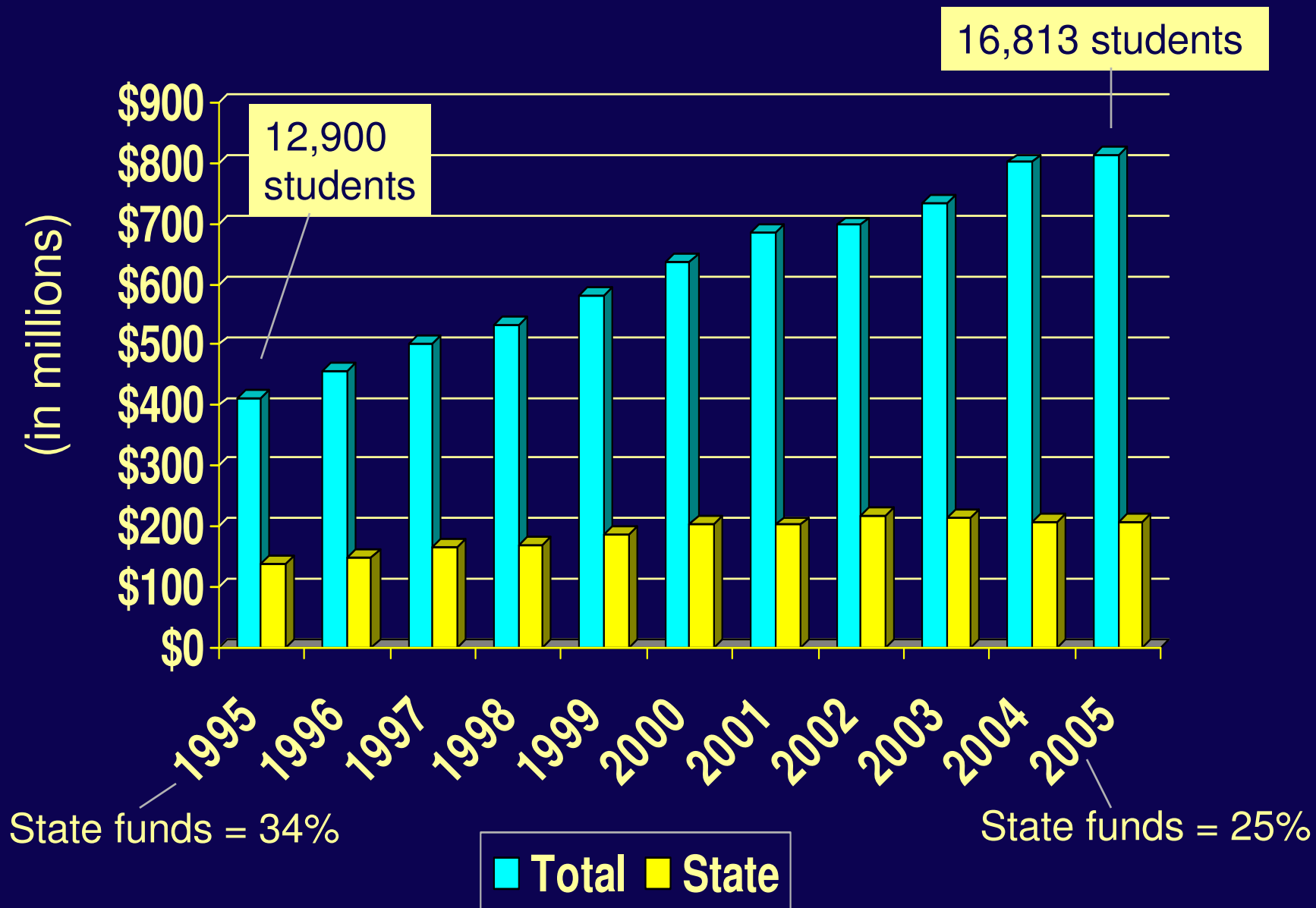
(2004-2005)



Tech's state funding shortfall



Budget expenditures



Warning signs for GT

- Demonstrated student financial need is increasing; other universities addressing this issue.
- Pressure from peer competitors is growing.
- Historical model of state funding is changing; “hope is not a strategy.”
- Increasing number of faculty are being recruited by the competition; our competitive position is weakening.
- Our ability to attack targets of opportunity has diminished significantly.

A comprehensive strategy

- Don't give up on state funding; fight for our share of resources dedicated to higher education.
- Shape initiative funding that will help the state and Georgia Tech; e.g., GRA, nanotechnology, etc.
- Develop a compact with the state including a commitment to base funding and an ability to use tuition to maintain level support.
- Increase revenues from non-traditional sources.
- Begin the next campaign for Georgia Tech.

The next Georgia Tech campaign

- Generate forward momentum.
- Address areas of growing need.
- Build resources to retain top faculty.
- Support for strategic initiatives.
- Improve competitive position.
- Capitalize on new reputational status.

But isn't it too soon?

- 95% of the pledges from the Campaign for Georgia Tech have been paid.
- We have been broadening our donor base.
 - ▷ Global Leadership Identification Program identified over 6,000 alumni as prospects for new campaign.
 - ▷ Have been laying the groundwork for major corporate, friends, and foundation support.
- Our competition is moving forward.
- The needs are accumulating.

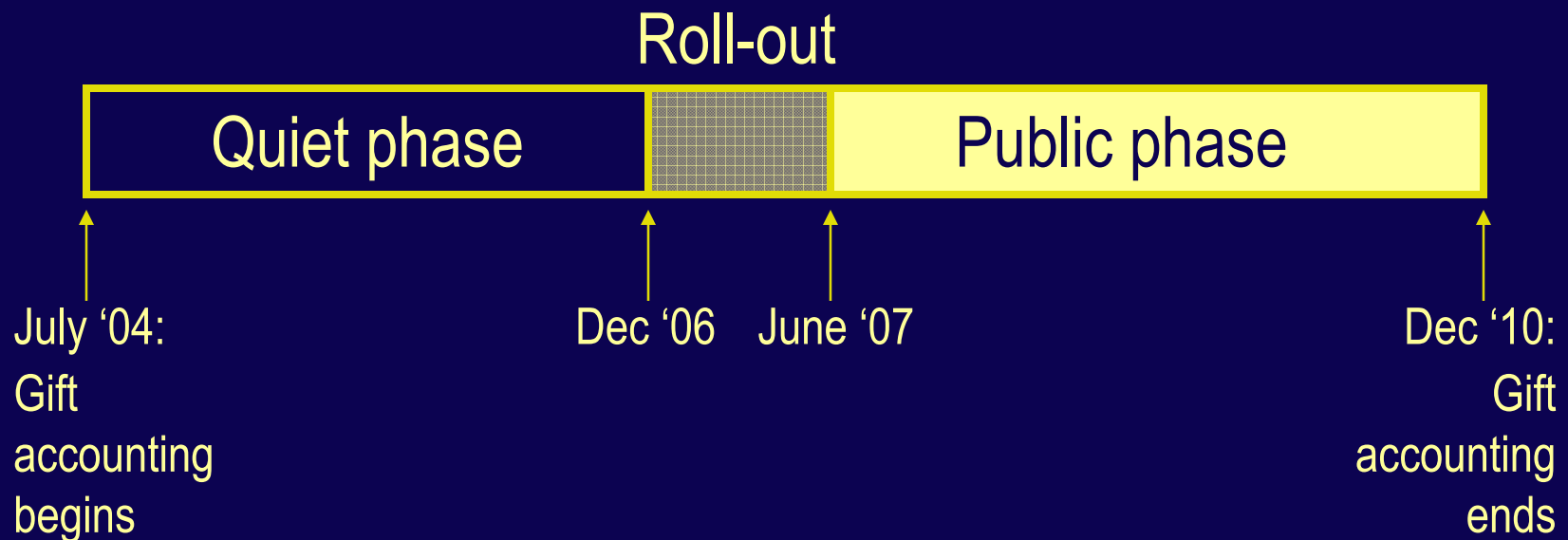
Why begin it now?

- Donors are anticipating it.
- Have some major gifts now that can be captured within the campaign.
- Position ourselves to be ready as the economy grows stronger.
- Take advantage of relationships developed over past 10 years and growth in the Institute's reputational status.

What campaign goal?

- We raised \$712 million in the last campaign.
- If last campaign timeframe had stretched 8 years, it would have raised \$1 billion.
- The campaigns of our peers and competitors are all in the billion-plus range and last longer than five years.
- We can readily justify needs for a \$1 billion plus campaign.

Timetable: New campaign



NOTE: The quiet phase of the Campaign for Georgia Tech was unusually brief; the normal quiet phase is several years.

Questions - Discussion